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SUBJECT: IRAN; MICELI/PAULSON MEETING; REGIONAL FORUM ON
INTERNATIONAL SECURITY AND ORGANIZED CRIME; VENEZUELA'S ENTRY INTO
MERCOSUR 09/19/06; BUENOS AIRES

11. SUMMARY STATEMENT

Major local dailies cover extensively the Regional Forum on International Security and Organized Crime, held yesterday at the Buenos Aires Stock Exchange. They also report statements from Theo Van Lingen, Policy Advisor for the Western Hemisphere, US Treasury. Daily-of-record "La Nacion" carries an exclusive interview with Mr. Theo Van Lingen in its "Economy and Business" Supplement.

Other international stories include French President Chirac's proposal that powerful countries should not resort to the UN Security Council to seek sanctions against Iran; the meeting between US Treasury Secretary Henry Paulson and Argentine Economy Minister Felisa Miceli; Argentine First Lady Cristina Kirchner's criticism of IMF policies; and the impact of Venezuela's entry into Mercosur.

12. OPINION PIECES

- "Chirac's turning point on Iran on the eve of the UN General Assembly"

Daily-of-record "La Nacion" reports (09/19) "On the eve of the 61st UN General Assembly in New York, which will mainly deal with the crisis unleashed by the Iranian nuclear program, French President Jacques Chirac proposed yesterday that powerful nations should not resort to the UN Security Council to seek sanctions against Tehran but they should make progress on negotiations.

"In this why, Chirac revealed a turning point on the sensitive Iranian nuclear program... With regards to Iran, the French president said that powerful countries in charge of the issue should not resort to said institution to impose sanctions on Iran.

"At the same time, he suggested that, in exchange for this, Iran 'should relinquish uranium enrichment activities' for the sake of negotiations. Chirac proposed the suspension take place 'during' and not 'before' negotiations. It is the first time a European leader clearly states that the suspension of Iran's uranium enrichment-related activities should not constitute a 'prior condition' for opening of negotiations on the sensitive Iranian nuclear issue.

"This strategy goes against that promoted by the US, which will seek consensus during the UN General Assembly to impose sanctions on Iran. Washington is calling for a suspension of Iranian nuclear activities as a prior condition for negotiations."

- "Argentina's conciliatory gestures with the US"

Alejandro Rebosio, on special assignment in Singapore for daily-of-record "La Nacion's" "Economic & Business" supplement, writes (09/19) "Yesterday, Argentina complained to the US for its lack of support on loans to the country by some multilateral lending agencies, but the US downplayed the issue.

"While President Nestor Kirchner is in New York to meet with US investors, Economy Minister Felisa Miceli met yesterday with US Treasury Secretary Henry Paulson in Singapore, and the two of them agreed to improve communication in order to avoid new conflicts.

"Miceli asked Paulson why, during recent months, the US has approved some IDB loans while rejecting others - among them one satellite development project in cooperation with NASA.

"Secretary Paulson, who usually goes straight to the point, said it was better to speak about the future and he downplayed the issue by pointing out that the loans had been approved by the IDB all the same.

"Finally, Paulson and Miceli agreed that the next time a loan to Argentina is brought to the consideration of the board of multinational lending agencies, bilateral contacts will be strengthened so that projects are better explained.

"Miceli expects that dialogue will be strengthened when the new US Ambassador Earl Wayne arrives in Buenos Aires.

"Miceli emphasized the companies' investment plans including those of US corporations, in Argentina. According to a high-ranking Economy Ministry source, Paulson acknowledged the country's 'high growth rate.'

"According to the same source, there was no criticism during the meeting of Argentina's economy, its energy supply system, its ties with Venezuela and Bolivia, or Argentina's vote against the IMF

reform."

- "The US asks the country for anti-terrorist financing legislation"

Martin Kanenguiser, columnist of Daily-of-record "La Nacion's" "Economy and Business" supplement makes an interview with Theo Van Lingen, Advisor for the Western Hemisphere at the US Treasury Department, who said that Argentina should have legislation against terrorist financing in order to avoid measures that could isolate it from the international financial system. He also said that the Financial Information Unit should be independent from the political power in order to work properly.

"... Asked about the fight on money laundering and terrorist financing in Argentina, Van Lingen said 'we understand that obstacles do appear; however, Argentina supported the Financial Action Task Force (FATF), which generates some pressure for legislation to be approved faster. The US finds it very important for the country to approve legislation against terrorist financing, and this is why we support Argentina in every possible way. The US is trying to prevent the use of the financial system to transfer money to terrorist groups all over the world.'

"On the consequences of a FATF sanction on Argentina, Van Lingen said 'the effect of an international sanction could be financial isolation.'"

- "The Argentine Government defines its anti-money laundering strategy"

Natasha Niebieszkiwiat, columnist of leading "Clarín," writes (09/19) "Argentine Justice Minister Alberto Iribarne asserted yesterday that within the next days, he will submit a national agenda against money laundering and terrorist financing to President Nestor Kirchner. According to the minister, they will seek a coordinated strategy for all governmental institutions involved in this issue.

"Iribarne gave an address along with the US DCM Michael Matera at

the opening ceremony of the Regional Forum on International Security and Organized Crime at the Buenos Aires Stock Exchange. The forum was coordinated by Argentine-American Dialogue, Fundar and the US Department of State.

"The forum is another place where Washington stamps its message on issues that it believes are top priority issues, such as the global fight on terrorism and money laundering activities at the Tri-Border.

"... Theo J. Van Lingen, Policy Advisor for the Western Hemisphere at the US Treasury Department, said that 'only through joint cooperation shall we become highly effective in the fight against money laundering and the accounting practices that serve terrorist financing.' The young but decisive Van Lingen was one of the invited panelists along with other government officials from Brazil, Paraguay and Argentina.

"Van Lingen said yesterday that 'we are facing a new era in which finance ministries, regulators and institutions' should seek and detect risks in order 'to isolate threats.'"

- "Money laundering and terrorism, the focus of a seminar on security"

Natalia Labruna, international columnist of business-financial "InfoBae," comments (09/19) "In the framework of the Regional Forum on International Security and Organized Crime, which was held at the Buenos Aires Stock Exchange auditorium and was organized by the Public Affairs Section of the US Embassy, the US-Argentine Dialogue Foundation and Fundar-Justice and Security Foundation, several experts tackled diverse issues related to international security.

"One of the main topics of the encounter was money laundering and its close ties to terrorist financing.

"On this issue, Theo Van Lingen, advisor at the US Treasury Department, asserted that financial institutions should play a fundamental role in the fight against money laundering and terrorist financing..."

"According to Van Lingen, both credit cards and phone and banking transactions provide terrorists with opportunities to launder money from their crimes. However, he made clear that financial institutions can prevent these procedures, and he underscored the importance of involving the private sector in this fight."

- "The US considers Argentine cooperation 'excellent'"

Business-financial, center-right "InfoBae" reports (09/19) "The US Deputy Chief of Mission, Michael Matera characterized Argentine cooperation in the fight on the organized crime as 'excellent,' and he called to promote greater work on the border.

"Matera recalled that the 'FBI is cooperating in a very productive way with law enforcement agencies' on 'issues related to criminal investigation and terrorism, information exchange and training initiatives.'

"In the framework of the Regional Forum on International Security and Organized Crime, Matera highlighted that 'many of the problems we face today in the area of security and law enforcement... have two things in common - they are interrelated and have no borders.'"

- "A new promise to fight money laundering"

Business-financial "Ámbito Financiero" reports (09/19) "Argentine Justice Minister Alberto Iribarne asserted yesterday that 'Argentina will have a strategy against money laundering and terrorist financing,' which will be coordinated among different governmental institutions. The relevant document will be finished in the next days and submitted to the President.

"The minister made this announcement in the framework of the Forum on International Security and Organized Crime, which he opened along with the US Deputy Chief of Mission, Michael Matera, at the Buenos

Aires Stock Exchange.

"During the meeting, the US representative, who is in charge of the US Embassy until the arrival of Anthony Wayne, called cooperation in the fight on organized crime 'excellent.'"

- "Cristina defends capitalism and questions the IMF role once again"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (09/19) "... 'I do not care if we are called 'populist.' After the class she gave to students from the University in Columbia in New York, she gave a long explanation on why populism is the other side of capitalism and how Kirchner and his administration favor capitalism.

"'What is capitalism? One of the things that made the Berlin wall fall was not the US power but the fact that capitalism is a better idea than communism and what makes capitalism differ from other doctrines is consumption.'

"However, the first thing the IMF advises, through its policies of adjustment, is constraining consumption, so?...'

"... The First Lady also criticized privatized corporations because they ask for an increase in public service rates, something which, according to her, goes against consumption..."

"'Whenever a government defends its resources, its national decision system, whenever it wants to make autonomous decisions according to the citizens' interests, and to have its own integration project, and not be subordinated to the world, it is incorrectly called 'populist.'"

- "With Venezuela's entry into Mercosur, integration will be limited"

Leading "Clarín" carries an op-ed story by Fabian Calle, professor of International Relations at Di Tella University and the Catholic University, who writes (09/19) "In the framework of Venezuela's entry into Mercosur as a full member, President Chavez emphasized the need for making progress not only on economic integration but also on the military one.

"... Argentina and Brazil have showed their willingness to increase financial, trade and energy ties to Venezuela, but not security and defense relations, which are strongly confronted with those of the Western powers, particularly those of Washington and Israel.

"... Mercosur has little to obtain from including military and security issues on its agenda of cooperation with the Chavez administration."

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